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FM AMEMBASSY NEW DELHI  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 3722  
INFO RUEHBJ/AMEMBASSY BEIJING 7061  
RUEHLM/AMEMBASSY COLOMBO 1178  
RUEHKA/AMEMBASSY DHAKA 1548  
RUEHIL/AMEMBASSY ISLAMABAD 5329  
RUEHKT/AMEMBASSY KATHMANDU 2012  
RUEHCI/AMCONSUL KOLKATA 2878  
RUEHCG/AMCONSUL CHENNAI 3639  
RUEHKP/AMCONSUL KARACHI 9005  
RUEHLH/AMCONSUL LAHORE 4480  
RUEHBI/AMCONSUL MUMBAI 2695  
RUEHPW/AMCONSUL PESHAWAR 4908  
RHEHNSC/NSC WASHDC  
RHHMUNA/CDR USPACOM HONOLULU HI//00/POLAD//  
RUCPDO/DEPT OF COMMERCE WASHDC  
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C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 002673

SIPDIS

E.O. 12958: DECL: 12/02/2015  
TAGS: [PREL](#) [PGOV](#) [MARR](#) [MASS](#) [ETTC](#) [IN](#)  
SUBJECT: RESOLVING END USE MONITORING WITH INDIA

Ref: A) AMEMBASSY NEW DELHI 191323Z SEP 08  
B) USDEL SECRETAR 060331Z OCT 08

Classified By: Charge Steven White for Reasons 1.4 (B, D)

11. (U) This is an action request for the Department. Please see paragraph 5.

12. (SBU) Summary: Indian Foreign Minister Mukherjee handed Secretary Rice proposed text (paragraph 7) on End Use Monitoring (EUM) during their 4 October 08 meeting in New Delhi. Post believes the involvement of Mukherjee in the process is positive and offers the opportunity to push for completion during the Minister's planned visit to Washington to sign the 1-2-3 Agreement.

#### CURRENT STATUS OF FUNDAMENTAL AGREEMENTS

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13. (SBU) As discussed ref (A), India has not accepted US requirements for End Use Monitoring (EUM) and Enhanced End Use Monitoring (EEUM), or signed the Communications Interoperability and Security Memorandum of Agreement (CISMOA). Ongoing and future sales of military equipment to India will be affected unless an agreement is reached. Indian Air Force requests for Harpoon missiles and Sensor Fuzed Weapons will be the first cases affected. These cases have been notified to Congress, but the Defense Security Cooperation Agency (DSCA) has indicated these sales will not be offered until agreement is reached on EUM and EEUM, and India complies with EEUM requirements for Night Vision Devices (NVDs) already in Indian custody. Cessation of military sales will certainly have a negative impact on mil-mil relations and end prospects for large dollar sales to the Indian military to include the 2.1 billion dollar Boeing P-8I and the 10 billion dollar Medium Multi-Role Combat Aircraft.

#### NEW INDIAN EUM TEXT

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14. (SBU) Ref (B) reported that Indian Foreign Minister Mukherjee handed Secretary Rice a document with proposed new EUM text during their 4 October 2008 meeting in New Delhi. Mukherjee's involvement offers an opportunity to deal with a minister who has demonstrated

the ability to conclude bi-lateral agreements without painstaking reviews (unlike Defense Minister Antony or the bureaucrats in both the Ministry of Defense and the Ministry of Foreign Affairs). In June 2005 Minister Mukherjee signed the New Defense Framework with Secretary Rumsfeld within a few hours of his delegation agreeing to a final text.

#### AN OPPORTUNITY TO PUSH FORWARD

15. (SBU) Action request. Post recommends the new Indian EUM text (whatever its shortcomings) be taken as an opportunity to push for closure. Mukherjee plans to visit Washington to sign the 1-2-3 Agreement on 11 October 2008. Post seeks the Department's advice and recommends that Mukherjee be invited to bring with him whatever officers he needs to resolve our differences on EUM, EEUM, and CISMOA, and to set aside time to resolve the issue during his visit.

16. (C) Comment. Concerns involving politically sensitive issues such as national sovereignty (the key Indian concern regarding EUM) can only be decided at the senior political level. Foreign Minister Mukherjee has now engaged on this issue which offers us the opportunity to deal with someone who can make a decision. Despite the short time to prepare, we recommend we use Mukherjee's visit to Washington as an opportunity to resolve this issue.

#### VERBATIM TEXT

17. (U) Government of India Draft for the EUM/EEUM Notes in the LOAs

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concluded between Government of India and the US Government

##### 1.END USE MONITORING NOTE:

1.1 GOI agrees to fulfill the end use monitoring requirements for the defense articles and services transferred under this Letter of Offer and Acceptance as follows:

1.2 At the request of either party, at a mutually acceptable date and venue, Government of India and the U.S. Government will execute joint consultations that may include a joint security verification of the transferred articles and related security and custody procedures.

Government of India agrees to make available inventory and accountability records it maintains to authorized US personnel for this purpose.

1.3 The Government of India and the US Government agree that EUM requirements will not be altered or amended after this Letter of Acceptance has been signed.

1.4 Enhanced End Use Monitoring security and accountability requirements, as agreed by Government of India and the US Government, are annotated in note \_\_ appended to this letter of Acceptance.

(To be included if an enhanced EUM item is included in the FMS case):

##### 2.USE OF DEFENSE ARTICLES NOTE:

2.1 The Government of India and the US Government agree that the defense articles provided under this Letter of Offer and Acceptance will be used for operations of the Armed Forces of India including internal security, civic action and self defense. The Government of India will facilitate the US Government, through joint consultations, in clarifying concerns that the US Government may convey regarding the use of defense articles transferred.

(The above standard EUM/EEUM/Use provisions would apply to all Letters of Acceptance and replace the relevant clause(s) in the existing Letters of Acceptance.)

October 4, 2008

WHITE